


**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** May 11, 2010

**SUBJECT:** Fiscal Impact Statement – “Predatory Pawnbroker Regulation and Community Notification Emergency Act of 2010”

**REFERENCE:** Bill Number 18-715 – Modified Introduced Bill, received on 4/22/2010

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**Conclusion**

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The proposed legislation does not have an impact on the District’s budget and financial plan.

**Background**

The proposed legislation would limit the maximum rate of interest any new pawnbroker may charge to 24 percent per year,<sup>1</sup> would require providing a notice to all affected Advisory Neighborhood Commissions (ANC) when a pawnshop license application is submitted, and require that the affected ANCs would be accorded great weight during deliberations to approve or deny the license application.<sup>2</sup> The maximum interest rate that a pawnbroker licensed as of April 1, 2010 may contract for and receive would remain the same as permitted by Chapter 9 (Pawnbrokers) of Title 16 (Consumers, Commercial Practices, & Civil Infractions) of the District of Columbia Municipal Regulations.<sup>3</sup> Additionally, existing pawnbrokers licensed as of April 1, 2010 would be exempt from the proposed ANC notification and approval decision when renewing their applications.

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<sup>1</sup> By amending D.C. Official Code § 47-2884.09(a); the exception would apply to pawnbrokers that are licensed as of April 1, 2010.

<sup>2</sup> By adding a new subsection (f) to the D.C. Official Code § 47-2884.03

<sup>3</sup> Current maximum rates are 5 percent per month on the first \$500, 4 percent per month on the next \$500, and 24 percent per year on loans of more than \$1,000. Alternatively, a pawnbroker may opt to receive a charge of \$2.00 per month instead of interest.

### **Financial Plan Impact**

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. Notifying ANC's about pending pawnbroker applications and allowing their participation in the deliberations to approve or deny the license application would not have an impact on the District's budget and financial plan.